GOVERNMENT OF INDIA
COMMERCE AND INDUSTRY
LOK SABHA

UNSTARRED QUESTION NO:5341
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Will the Minister of COMMERCE AND INDUSTRY be pleased to state:

(a) whether the Union Government have simplified the procedure for issuing licence for domestic consumer goods in the process of decontrolling the domestic consumer goods from the control of States;

(b) if so, the details thereof; and

(c) the extent to which the Government have facilitated the import-export control by giving concession on home made goods?

Answer

MINISTER OF COMMERCE & INDUSTRY

(SHRI MURASOLI MARAN)

(a) to (c) At present consumer goods industry except (a) Distillation and brewing of alcoholic drinks (b) Cigars and Cigarettes of tobacco and manufacture tobacco substitutes (c) drugs and pharmaceuticals (according to modified Drug Policy, 1994 as amended in 1999) is free from compulsory licensing under the provisions of the Industries (Development and Regulation) Act, 1951, subject to locational policy. Entrepreneurs intending to set up industries do not require an industrial license but only have to submit an Industrial Entrepreneur Memorandum (IEM) to the Secretariat for Industrial Assistance (SIA) in the Deptt. of Industrial Policy and Promotion.
Since 1991, Government has been following the policy of liberalisation of import restrictions. Accordingly import restriction on many of the manufactured consumer goods have been removed. However, all imports shall be subject to applicable rate of Custom duties and shall also be subject to all the domestic laws, rules, orders, regulations, technical specifications, environmental and safety norms as applicable to domestically produced goods. This should provide adequate protection to the domestic industry.

There is no restriction on export of manufactured consumer goods. The Government is trying to facilitate export of these goods through various measures like:

(a) Exemption from payment of income tax to the extent of 80% of export income.

(b) Refund of indirect taxes paid on inputs required for manufacture of export goods through various schemes like Duty Exemption/Remission Schemes and Duty Draw back Scheme. Permitting import of Capital Goods required for export production at a concessional duty of 5% through Export Promotion Capital Goods